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DTS 0179

Chief, Stock Management and Requirements  
Section/SD/L

Contracting Officer

Contract No. DD-91

with [REDACTED]

25X1

1. Forwarded herewith are two (2) copies of a letter dated September 23, 1958, from the Contractor concerning residual property remaining at the plant of [REDACTED]

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2. [REDACTED] submitted a list of property on a Form DD-545 (B attached) dated 12 May 1958. The original total value of this material amounted to \$4,202.38.

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3. On June 27, 1958, [REDACTED] of Cosmo/EO instructed [REDACTED] of the Contract Admin. Branch to have all of the material returned to the [REDACTED] warehouse. This recommendation was in complete agreement with previous instructions that were forwarded from Cosmo regarding material under the subject contract.

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4. However, before disposition instructions could be mailed to the Contractor, [REDACTED] called the Contract Admin. Branch and said that a [REDACTED] representative had informed him, that if the return of the residual property was requested, the subcontractor was going to put in a claim for an overrun in the amount of \$5,000.00 for the work performed under the subcontract.

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5. [REDACTED] representative also told [REDACTED] that, if the [REDACTED] dropped its claim to the residual material, [REDACTED] would be given an implied promise that [REDACTED] would not press their claim for the overrun.

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6. When it was explained to [REDACTED] that we could not bargain Government-owned property for a promise, [REDACTED] said he would ask the [REDACTED] representatives to come into Washington to go over the situation with the Contracting Officer.

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7. [ ] who are [ ] representatives, met with members of the Procurement Division in July 1958. At that time, it was agreed that [ ] subcontractor should submit a bid for the property.

8. On August 15, 1958, [ ] forwarded a letter accompanied by a letter from [ ] (C attached), which offered \$150.00 for the listed items.

9. But the second list did not correspond to the items listed on the aforementioned DD-445 dated May 12, 1958. The total value was only in the amount of \$1,490.15.

10. When [ ] was queried regarding the disparity of the two lists, the September 23, 1958 letter was forwarded to clarify what had occurred.

11. It is now requested that Commo be questioned to determine if the bid of \$150.00 is satisfactory for the material listed on the August 14, 1958 letter.

12. They should also be consulted regarding the disposition of the remaining items.

CONTRACTING OFFICE

Attachments:

- A. 2 copies of letter dated 9/23/58
- B. Copy of Property Listing dated 5/12/58
- C. [ ] letters dated 9/15/58 and 9/14/58

Distribution:

- Orig 1 - Addressee
- 1 - DD-91 (Official)
- 1 - ICAB
- ~~1 - CC/ES~~
- 1 - Follow-up (30 days)
- 1 - Chrono
- 1 - Admin

[ ] (1 October 1958)

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